



# State of Utah

*School and Institutional*  
TRUST LANDS ADMINISTRATION

Jon M. Huntsman, Jr.  
Governor

Kevin S. Carter  
Director

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<http://www.trustlands.com>

January 30, 2007

cc: Paul  
5019 0063

Jame Byars  
H&B Mining  
P.O. Box 656  
Emery, UT 84522

RE: ML 50572 Notice of Intent  
H&B Mine, Grand County

Dear Mr. Byars:

I am in receipt of your letter of January 23, 2007, giving clarification to your Notice of Intent to commence mining operations dated January 16, 2007. I now understand that you commit to weigh, using a certified scale, each month, not less than 10% of the loads of leased substances removed from the lands within ML 50572 a basis for calculating the average weight of each load produced during the month. Royalties will be paid upon all loads removed during each month on the basis of the average scaled weight for the month.

This sampling method is acceptable to the Trust Lands Administration presently, however, Lessor reserves the right to require the weighing of all loads of material removed from the leased lands at some future time if Lessor determines in its sole discretion that the sampling method described above is inadequate or unreliable.

Your notice of intent to the Trust Lands Administration to commence mining upon the lands within ML 50572 is now completed. You must first obtain an approved mining permit from the Utah Division of Oil Gas & mining, post a reclamation bond and meet all Grand County permitting and licensing requirements before commencing actual operations. Please contact me if you have any questions.

Sincerely,

John T. Blake  
Trust Land Mineral Specialist

cc: Paul Baker